

[By Michael Fletcher, Washington Post](#)

President Obama outlined a response to the nation's intensifying job crisis Tuesday that encourages businesses to hire new workers by easing the flow of credit and implementing a series of tax cuts, but leaves important details -- including the cost of the plan -- to be hashed out by Congress.

Obama's job-creation ideas build largely on elements of the \$787 billion economic stimulus package passed this year, including tax cuts for small businesses, incentives to hire new workers and a fresh round of infrastructure spending.

The president also recommended that Congress pass a "cash for caulkers" plan that would offer financial incentives for home weatherization. Senior administration officials said the program, based on the popular "cash for clunkers" automobile rebate program, would leverage hiring in construction and manufacturing -- sectors especially hard hit by the recession -- while promoting energy efficiency, resulting in long-term savings for homeowners.

Obama, who has been under pressure to lay out a specific jobs strategy, also called on Congress to extend unemployment insurance, emergency aid to cash-starved states and cities, aid to senior citizens, and health-care help for the jobless -- aid he called essential as his administration grapples with ways to reduce the nation's highest unemployment rate in more than a quarter-century.

"Even though we have reduced the deluge of job losses to a relative trickle, we are not yet creating jobs at a pace to help all those families who've been swept up in the flood," the president said at a speech at the Brookings Institution, a nonpartisan research organization. "There are more than 7 million fewer Americans with jobs today than when this recession began. That's a staggering figure and one that reflects not only the depths of the hole from which we must ascend, but also a continuing human tragedy."

Obama sketched his jobs plan while emphasizing that he is also concerned about reducing the nation's debt, a complex message that pleased neither liberal advocates pushing for a more

aggressive jobs initiative or conservatives who say the president should focus on deficit reduction.

With Wall Street firms repaying federal bailout money faster than anticipated, administration officials have concluded that the Troubled Asset Relief Program should cost the government \$200 billion less than expected. Obama said the government could use that money to pay for elements of his jobs initiative and to lower the deficit.

Many Republicans, however, want the money designated strictly for deficit reduction. "Using bailout funds for another spending spree would violate both current law and our pledge to return every dollar to the taxpayers," said Senate Minority Leader Mitch McConnell (Ky.). "Americans' patience is running awfully thin with politicians who promise jobs but deliver only more debt."

White House aides are confident that both goals can be achieved. "The American people are a lot smarter than people in Washington think," said Dan Pfeiffer, White House communications director. "They understand we have to deal with jobs and deficits in a coordinated strategy. Talking about one without the other would be disingenuous and do a disservice."

Sen. Sherrod Brown (D-Ohio) called reducing unemployment essential to fixing the federal budget. "Recessions don't mean loss of federal revenue because we are adding federal programs," he said. "They mean a loss of revenue because people aren't paying taxes and are relying on more government programs."

White House officials did not put a price tag on the president's jobs package, saying the cost would be determined by the scale of programs Congress passes. In his speech, Obama called it "false" to suggest that the government must choose between reducing the deficit and investing in job creation when the nation is dealing with a 10 percent unemployment rate.

Majority Leader Harry M. Reid (D-Nev.) has said the Senate will take up an employment bill in January, while House leaders have promised to pass a jobs package this month.

"We've got to get back to Main Street. Wall Street has had its moment," said Rep. Peter Welch

(D-Vt.), who has sponsored legislation calling for federal subsidies for home weatherization. "We have to address high unemployment."

Some liberal advocates want Congress to expand on Obama's proposal. "I urge the president and the Congress to remember that the scale of their job creation plan matters tremendously," said Lawrence Mishel, president of the Economic Policy Institute. "The plan must be big enough to have a major impact."

The White House indicated that Obama's job-creation efforts are not limited to what he said in the speech, and announced that he will meet with top bankers Monday to urge them to increase small-business lending.

Deepak Bhargava, executive director of the Center for Community Change, a grass-roots organizing group, said it is not enough for the government to help just the private sector: "For decades we've seen how this tactic has failed to meet the needs of everyday Americans who need work to feed their families. We need a strong public sector in order to really come out of this economic crisis."